Foreign exchange reserves

700. SHRI BALBIR K. PUNJ: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) the foreign exchange reserves (with a break-up of various components) on the 1st of every month for the last three years;

(b) whether it is a fact that reserves have appreciated in a very significant manner;

(c) the reasons therefor;

(d) what are the returns on these huge reserves and where are they parked; and

(e) whether Government are considering any plan to ensure that the funds are invested in a manner which will optimize the returns on them?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) The levels of foreign exchange reserves, with a break-up of various components as on the 1st of every month during the last three years, are furnished in the enclosed Statement (See below)

(b) and (c)The foreign exchange reserves have increased substantially in the recent period, facilitated by strong inflows under invisibles receipts, foreign direct investment, NRI deposits and also revaluation gains due to weakness exhibited by US dollar.

(d) and (e) Not returns on foreign currency assets and gold during the years 1999-2000,2000-01 and 2001 -02 were 4.6 per cent, 6.0 per cent and 4.5 per cent, respectively. The entire foreign currency assets of the country are invested in approved foreign securities and in deposits of foreign central and commerical banks and the Bank of International settlements.

Statement

The levels of foreign exchange reserves

Foreign Exchange Reserves

(in US $ Million)

Month	FCA	GOLD	SDR	TOTAL
1st Jan.2000	31992	2939	4	3435
1st Feb.2000	31941	2945	10	34896
1st Mar.2000	32795	3104	4	35903
1st Apr.2000	35058	2974	4	38036
1st May. 2000	34993	2895	8	37896
1st Jun. 2000	34392	2851	2	37245
1st Jul. 2000	33774	2948	8	36730
1st Aug. 2000	33299	2924	8	36231
1st Sept. 2000	32787	2830	2	35619
1st Oct. 2000	32602	2834	2	35438
1st Nov. 2000	32091	2800	8	34899
1st Dec. 2000	36286	2752	2	39040
1st Jan. 01	37264	2811	2	40077
1st Feb. 01	38361	2751	8	41120
1st Mar. 01	38896	2711	1	41608
1st Apr. 01	39554	2725	2	42281
1st May. 01	39821	2695	10	42526
1st Jun. 01	40171	2816	4	42991
1st Jul. 01	40652	2798	4	43454
1st Aug. 01	40950	2771	9	43730
1st Sept. 01	42537	2817	4	45358
1st Oct. 01	41948	2925	4	44877
1st Nov. 01	42309	2937	10	45256
1st Dec. 01	44024	2862	5	46891
1st Jan. 02	45251	2856	5	48112
1st Feb. 02	46561	2913	5	49479
1st Mar. 02	47714	3052	10	50776
1st Apr. 02	51049	3047	10	54106
1st May. 02	52107	3131	12	55250
1st Jun. 02	52890	3249	9	56148
1st Jul. 02	54703	3330	10	58043
1st Aug. 02	56704	4348	9	59961
1st Sep. 02	58273	3208	10	61491
1st Oct. 02	59663	3300	10	62973
1st Nov. 02	61225	3278	10	64513
1st Dec. 02	63621	3303	7	66931
1st Jan. 03	66994	3444	7	70445
1st Feb. 03	69888	3688	7	73583

Note: FCA stands for foreign currency assets.

SDR stands for special drawing right.